



State of California

LITTLE HOOVER COMMISSION

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Commission Urges Improvement of State Allocation Board Transparency and Structure

The Little Hoover Commission on Thursday urged the state to reform the governance structure of the State Allocation Board to enhance its transparency, accountability and independence.

The Commission conducted the review of the governance structure of the State Allocation Board (SAB) at the request of the board's legislative members. In its report, *The State Allocation Board: Improving Transparency and Structure*, the Commission said that in its six decades, the board has functioned well despite a flawed governance structure. The board has functioned as well as it has due in large part to the professionalism of its staff over the years, which put the mission of the SAB above the governance issues created by specific job classifications.

"In our review of the SAB, the Commission found an entity that, while operating adequately, potentially was vulnerable to political manipulation, and one where accountability and transparency could be enhanced significantly," Commission Chairman Dan Hancock said.

Specifically, the Commission found a governance structure that could not be described by a normal organization chart and weakened by changes that were made for political reasons, not with the goal of improving educational outcomes for California students. When problems have arisen at the board, a weak governance structure has been an impediment to setting the organization right.

The Commission urged the governor and the Legislature to take advantage of the opportunity presented by the request of the board's legislative members – in the absence of crisis – to strengthen the board's governance structure, equip it with independent staff, streamline its management and put in place measures to increase its transparency.

"Any entity charged with deciding how to allocate billions of public dollars to public school districts around the state is bound to generate criticism and second-guessing of its motives, justified or not," Hancock said. "A board's best strategy is

transparency and accountability. The SAB has functioned well, but it could function better.”

The Commission made three recommendations for improving the SAB:

- Reform the board's composition to increase public and expert participation and improve the balance of executive and legislative roles. Members should serve staggered, fixed terms to improve overall SAB accountability. The Department of Finance representative should serve as the chair of the board.
- Make the SAB an independent entity by moving the staff and functions of the Office of Public School Construction to the SAB and requiring the board to develop and submit its own budget. The board should hire its own executive officer and eliminate the assistant executive officer position.
- Increase the SAB's transparency to the public and stakeholders by requiring the board to formally adopt and make public its own rules of order, which aggregate existing operating procedures and better define the role of the Implementation Committee.

The Little Hoover Commission is a bipartisan and independent state agency charged with recommending ways to increase the efficiency and effectiveness of state programs. The Commission's recommendations are sent to the governor and the Legislature. To obtain a copy of the report, *The State Allocation Board: Improving Transparency and Structure*, contact the Commission or visit its Web site: www.lhc.ca.gov.